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## Press Release

COMMISSIONER'S OFFICE

### FOR IMMEDIATE RELEASE

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## Spring 2016 Revenue Forecast Reflects Lower Oil Prices

**Juneau** – Department of Revenue (DOR) Commissioner Randall Hoffbeck released the spring 2016 revenue forecast update today, an update from a preliminary forecast issued March 21, 2016.

General fund unrestricted revenue (GFUR) is now forecast to be \$1.3 billion in fiscal year FY2016 and \$1.2 billion in FY2017. The revenue forecast is driven by an expectation of oil production of at least 500 thousand barrels per day and an average price of oil remaining between \$30 and \$40 per barrel for the next 15 months. The FY2016 forecast represents a decrease in expected GFUR of nearly \$250 million, or about a 16% decrease, compared to the projection in the Fall 2015 forecast.

Commissioner Hoffbeck concluded, "Both revenue generated from resource development as well as revenue from our investments play a significant role in Alaska's total revenue picture. Unfortunately this is not a good year for either one. Years such as this emphasize the point that we have been making at meetings throughout the State that we need an overall strategy to manage revenue volatility throughout the fiscal system."

The spring forecast is an annual publication provides basic information about state revenue, as well as a forecast of state revenue over ten years. The final spring 2016 revenue forecast will be available today, April 7, 2016, at 2pm on the Department's website, at [www.tax.alaska.gov](http://www.tax.alaska.gov).

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